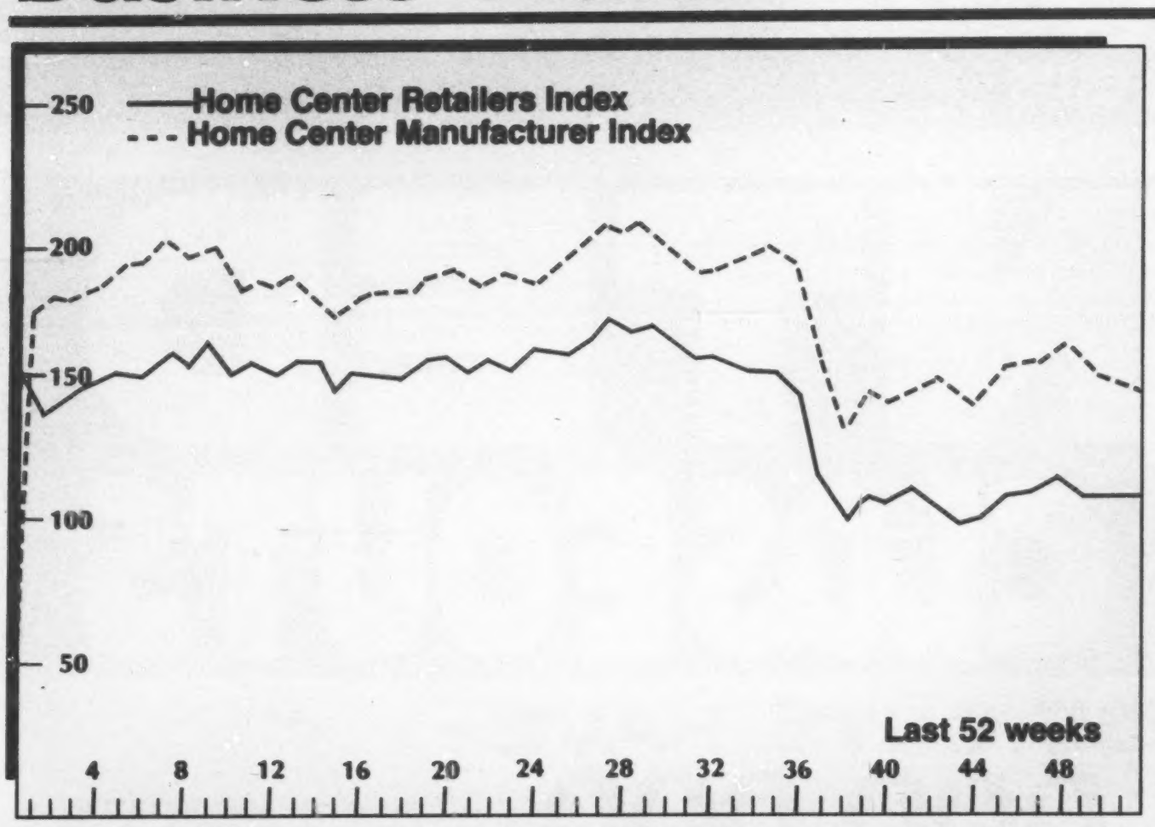
Business Watch

stocks



The home center retailer and manufacturer stock market indices are a measurement of the changes in aggregate market value compared to their value on February 5, 1988, which has been set to equal 100 on the index. Aggregate market value is the sum of each stock's price multiplied by its number of shares outstanding, adjusted to eliminate the effects of additions or deletions to the *NHCN* stock list.

Winners make strong showing

This week showed impressive gains by most stocks in the home center industry, with gainers outnumbering losers nearly five to one for the week ending Feb. 5. Of the 57 stocks tracked for *NHCN* by Media General, 46 gained, 10 lost and only one remained unchanged.

Most notably among retailers, Strober Organization showed a 9.4 percent drop as a reaction to the death of Strober chairman Eric Strober. It closed at $7.25. General Building Products continued to decline, down 5.6 percent to $4.25. Zayre and Grossman's recouped some losses, up 21 percent and 19.1 percent respectively, although neither regained the level of their two-week high. Payless Cashways gained 13 percent after a minor loss during the last reporting period.

All wholesalers gained, with Stanline showing a huge 34.7 percent surge as a result of a takeover attempt by London-based Bunzl PLC. Hughes Supply continued to gain, closing in on its 52-week high.

Most of the losers for this reporting period were among the manufacturers. But this category had some of the largest gainers as well, with American Standard grabbing a whopping 75 percent increase to close at $63.88, close to its 52-week high of $64.25, as a result of a hostile takeover bid by Black & Decker. Ironically, Black & Decker registered a 5 percent drop during this reporting period. Weyerhaeuser continued to climb, albeit slowly, up 2 percent, and Union Camp posted a .8 percent gain.

National Home Center News

HOME CENTER MARKET SUMMARY

Company and Market	Stock Market: Price: 2-Weeks Ended 2-05-88	2-Weeks Change Amt.	2-Weeks Change Pct.	2-Week Range High	2-Week Range Low	52-Week Range High	52-Week Range Low	Volume: 2-Weeks Shares Traded Total	2-Weeks % Out	12-Week Avg. Vol. As % Out	Volume Trend Change	Financial Update: P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report: New Report	Period	Date Ended	Latest Quarter: Revenue Amt.	Revenue Chg.	Net Income Amt.	Net Income Chg.	E.P.S. Amt.	E.P.S. Chg.	Year-to-Date: Revenue Amt.	Revenue Chg.	Net Income Amt.	Net Income Chg.	E.P.S. Amt.	E.P.S. Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																													
Gen Bldg Prods M	4.25	- .25	- 5.6	4.75	4.25	12.50	4.00	102	.26	.89	- 70.8	7.3	.00	.0	NEW	fiscal	11-87	18.1	9.0	.3	- 57.1	.10	- 56.5	67.6	17.8	2.1	5.0	.58	- 13.4
Grossmn's Inc M	7.00	1.13	19.1	7.13	6.00	11.25	4.13	17,864	6.84	2.40	185.0	13.2	.00	.0	NEW	fiscal	12-87	257.8	6.1	.8	33.3	.00	NE	1077.3	7.0	12.1	NE	.53	NE
Hechinger A M	19.00	2.00	11.8	19.50	16.75	26.50	14.25	8,312	7.60	2.46	208.9	NA	.16	.8	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	19.25	1.75	10.0	19.25	16.75	26.75	15.50	507	.32	.20	60.0	16.5	.06	.3	.....	9 mos.	10-87	185.0	24.1	9.4	49.2	.27	28.6	553.6	23.5	29.2	49.0	.89	39.1
Home Depot N	20.13	1.75	9.5	20.38	17.88	28.09	12.13	14,211	2.89	1.58	82.9	20.3	.08	.4	.....	9 mos.	10-87	364.3	44.9	9.7	148.7	.19	90.0	1079.7	46.4	38.1	135.2	.81	92.9
INTERCO Inc N	36.63	1.25	3.5	37.88	35.38	54.00	29.50	6,130	1.55	1.00	55.0	10.3	1.60	4.4	.....	9 mos.	11-87	924.0	22.0	43.5	46.0	1.05	11.7	2548.3	29.9	108.4	60.4	2.57	20.1
K mart Cp N	32.00	1.13	3.6	32.75	30.38	48.38	21.63	46,233	2.29	1.33	72.2	9.7	1.16	3.6	.....	9 mos.	10-87	5973.3	5.0	110.1	26.1	.54	22.7	17872.0	5.9	371.0	24.8	1.82	22.1
Lowe's Cos N	18.38	.88	5.0	19.75	17.63	32.75	15.25	11,654	2.94	1.39	111.5	11.7	.44	2.4	.....	9 mos.	10-87	645.6	8.6	16.6	32.8	.42	35.5	1939.8	8.6	52.3	16.0	1.32	13.8
Natl Hardgoods M	4.75	.25	5.6	5.00	4.38	10.00	3.75	320	2.36	1.06	122.6	7.2	.00	.0	.....	9 mos.	10-87	10.7	27.4	- .1	- 100.0	- .04	- 100.0	33.1	28.3	.4	- 20.0	.31	- 11.4
Natl Lumber M	3.00	.00	.0	3.50	3.00	7.50	2.75	221	.39	.49	- 20.4	NE	.00	.0	.....	*	10-87	NC	NC	NC	NC	NC	NC	120.9	NC	.5	NC	.08	NC
Pay n Pak N	14.13	.38	2.7	14.13	13.25	21.50	11.50	694	.69	.55	25.5	13.2	.00	.0	.....	9 mos.	11-87	110.7	9.2	2.6	36.8	.26	36.8	338.5	7.4	10.3	94.3	1.03	94.3
Payless Cash N	13.00	1.50	13.0	13.38	11.50	26.88	9.63	20,914	6.04	1.91	216.2	16.0	.16	1.2	.....	fiscal	11-87	457.3	13.3	- 2.7	- 100.0	- .08	- 100.0	1768.1	15.9	28.1	- 33.7	.81	- 33.6
Scotty's Inc N	12.88	.25	2.0	13.88	12.50	15.88	10.00	1,095	.75	.51	47.1	16.7	.52	4.0	.....	6 mos.	12-87	133.5	6.3	2.5	4.2	.17	6.3	257.2	5.3	4.8	20.0	.33	22.2
Sears, Roebuck N	34.25	.75	2.2	34.88	32.75	59.50	26.00	73,464	1.94	.96	102.1	7.9	2.00	5.8	.....	9 mos.	09-87	12193.2	9.1	409.0	24.7	1.08	22.7	34391.2	9.8	1087.3	34.5	2.86	31.8
Std Brd Prt N	12.50	- .50	- 3.8	13.25	11.88	31.88	11.88	3,961	3.52	1.48	137.8	9.1	.00	.0	.....	9 mos.	10-87	87.6	2.0	4.4	4.8	.38	.0	259.6	2.6	12.8	4.1	1.14	4.6
Strober Organiz M	7.25	- .75	- 9.4	7.75	6.25	15.25	6.25	2,201	3.62	.72	402.8	7.9	.00	.0	.....	9 mos.	09-87	27.6	10.8	1.7	6.3	.27	- 10.0	75.2	10.1	4.3	13.2	.70	- 6.7
Wickes Cos N	9.25	- .50	- 5.1	10.13	8.75	25.00	7.25	10,396	2.17	2.77	- 21.7	3.7	.00	.0	.....	9 mos.	10-87	NC	NC	- 18.6	- 43.6	.37	- 50.7	2644.4	- 21.3	128.7	- 85.2	2.62	74.7
Wolohan Lumber M	10.75	1.38	14.7	11.00	9.38	18.75	8.75	1,641	2.80	1.11	152.3	7.9	.24	2.2	.....	9 mos.	09-87	66.2	12.8	2.7	42.1	.46	39.4	171.8	21.1	6.3	75.0	1.07	75.4
Zayre Corp N	18.00	3.13	21.0	19.88	15.50	37.00	13.50	75,722	13.35	3.52	279.3	6.5	.40	2.2	.....	9 mos.	10-87	1601.7	21.7	21.2	- 7.4	.37	- 5.1	4300.4	20.3	120.4	147.7	2.03	147.6
Wholesalers																													
Hughes Supply N	26.00	1.00	4.0	26.63	24.88	30.25	19.75	380	1.14	.87	31.0	10.4	.40	1.5	.....	9 mos.	10-87	113.2	29.7	2.5	47.1	.73	46.0	318.1	21.5	6.7	31.4	1.99	25.9
Moore Handley M	4.38	.38	9.4	4.75	3.75	9.75	3.75	69	.28	.91	- 69.2	16.8	.00	.0	.....	9 mos.	09-87	27.4	16.6	- .2	- 100.0	- .09	- 100.0	74.4	15.5	.5	- 50.0	.19	- 56.8
Lewis Palmer M	6.88	.25	3.8	7.13	6.75	9.88	5.75	1,166	2.90	1.63	77.9	18.1	.28	4.1	.....	9 mos.	10-87	58.9	- 1.8	.7	.0	.18	5.9	169.8	20.9	1.4	16.7	.36	16.1
Stanline Inc M	12.63	3.25	34.7	13.00	9.25	13.31	6.19	902	5.06	.75	574.7	11.7	.32b	2.5	.....	fiscal	10-87	17.9	12.6	.5	.0	.32	6.7	64.9	8.7	1.9	18.8	1.08	22.7
Manufacturers																													
Am Consum Prods M	11.25	.25	2.3	11.25	10.25	14.25	7.88	13	.06	.40	- 85.0	18.4	.00	.0	.....	9 mos.	09-87	11.7	27.2	.6	100.0	.28	- 17.6	31.4	21.7	1.3	160.0	.62	12.7
Am Standard N	63.88	27.38	75.0	64.25	36.25	64.25	30.50	125,404	40.17	4.35	823.4	15.3	1.80	2.8	NEW	fiscal	12-87	901.9	17.2	41.3	25.2	1.31	32.3	3399.8	13.4	133.3	- 31.0	4.18	- 20.8
Am Woodmark M	9.13	- .13	- 1.4	9.38	8.75	17.13	6.50	509	.74	.44	68.2	9.9	.00	.0	.....	6 mos.	10-87	34.3	7.5	2.4	4.3	.35	6.1	66.1	9.6	3.7	- 9.8	.54	- 14.3
Armstrng Wrld N	33.63	3.13	10.2	34.88	30.25	47.38	22.50	24,015	5.12	1.55	230.3	10.6	.90	2.7	NEW	fiscal	12-87	605.0	21.9	33.5	11.3	.72	14.3	2365.0	23.2	150.4	22.9	3.18	25.2
Black & Decker N	19.88	- .63	- 3.0	22.00	17.75	26.50	13.00	86,872	14.88	2.54	486.8	18.1	.40	2.0	NEW	3 mos.	12-87	612.3	15.7	31.1	38.8	.53	39.5	612.3	15.7	31.1	38.8	.53	39.5
Boise Cascade N	40.50	1.13	2.9	41.50	39.13	52.13	28.81	15,598	3.42	1.83	86.9	10.9	1.20	3.0	NEW	fiscal	12-87	975.6	2.5	57.2	79.3	1.20	93.5	3820.8	2.2	183.0	80.3	3.70	85.9
Certain-teed N	28.63	3.13	12.3	28.75	25.13	45.75	24.13	1,578	.83	.39	112.8	8.9	1.00	3.5	NEW	fiscal	12-87	291.7	8.6	12.6	17.8	.66	15.8	1158.4	4.0	61.4	7.2	3.23	7.0
Champ Intl N	31.63	- .25	- .8	33.25	30.50	44.63	21.75	33,113	3.48	1.92	81.3	7.8	.80	2.5	NEW	fiscal	12-87	1157.5	9.4	82.1	27.3	.86	24.6	4614.7	5.2	382.0	90.2	4.03	93.8
Clairson Intl M	8.00	.13	1.6	8.00	7.00	18.25	5.00	111	.22	.71	- 69.0	13.8	.00	.0	NEW	3 mos.	12-87	23.7	45.4	.4	100.0	.08	60.0	23.7	45.4	.4	100.0	.08	60.0
Cooper Indus N	54.50	1.13	2.1	56.38	53.50	74.50	39.00	7,649	1.56	1.31	19.1	15.7	1.68	3.1	NEW	fiscal	12-87	1008.8	19.7	56.4	18.7	1.12	14.3	3585.8	4.4	173.8	17.7	3.47	14.1
DeSoto Inc N	25.50	1.13	4.6	25.63	23.25	43.75	21.00	660	1.66	1.77	- 6.2	9.6	1.40	5.5	NEW	fiscal	12-87	64.9	- 16.6	- .3	- 100.0	- .08	- 100.0	373.1	- 9.8	10.6	171.8	2.66	224.4
Emhart Corp N	20.25	1.13	5.9	20.25	18.75	26.63	15.50	6,499	1.04	.68	57.6	11.9	.80	4.0	NEW	fiscal	12-87	664.1	13.7	25.9	29.5	.42	61.5	2454.0	17.2	106.0	NE	1.70	NE
Georgia Pacific N	35.75	2.88	8.7	35.75	33.00	52.75	22.75	32,451	3.06	1.75	74.9	8.5	1.20	3.4	NEW	fiscal	12-87	2229.0	25.2	112.0	34.9	1.07	42.7	8003.0	19.1	458.0	54.7	4.23	57.2
Insilco Corp N	17.00	.63	3.8	17.25	15.88	28.13	14.00	5,640	2.70	1.26	114.3	9.9	1.09	5.9	.....	9 mos.	09-87	195.7	.1	8.4	20.0	.40	48.1	544.3	- 5.0	26.8	5.9	1.27	11.4
La Pacific N	27.88	1.63	6.2	28.25	26.25	39.75	21.50	6,476	1.69	1.04	82.5	8.5	.80b	2.9	NEW	fiscal	12-87	478.1	25.1	31.3	86.3	.82	82.2	1921.6	27.6	125.0	92.6	3.27	90.1
Macmillan Bloedel M	15.00	- 1.00	- 6.3	15.88	14.88	23.50	12.00	6,442	- .63	.58	8.6	NA	1.10	NA	.....	9 mos.	09-87	816.8	24.2	82.7	160.9	.77	208.0	2343.0	19.0	217.7	97.9	1.99	118.7
Manville Cp N	2.38	- .13	- 5.0	2.75	2.38	5.38	1.88	3,617	1.51	1.30	-16.2	.5	.00	.0	.....	9 mos.	09-87	547.8	7.2	48.6	82.0	1.76	107.1	1540.7	5.7	132.6	107.5	4.74	152.1
Masco Corp N	25.13	1.38	5.8	26.50	23.13	40.88	18.75	32,421	2.45	1.18	107.6	13.7	.40	1.6	.....	9 mos.	09-87	541.0	47.4	66.7	30.0	.50	25.0	1480.0	47.7	188.0	27.0	1.42	23.5
Mor-Flo Inds M	6.75	- .25	- 3.6	7.75	6.75	14.38	5.50	349	1.40	.47	197.9	NE	.01	.1	.....	9 mos.	09-87	49.1	4.0	- 1.1	- 100.0	- .44	- 100.0	154.4	4.4	- .4	- 100.0	- .14	- 100.0
Newell Co N	32.88	3.88	13.4	33.50	28.13	43.00	21.13	3,292	2.85	1.04	174.0	12.0	.84	2.6	NEW	fiscal	12-87	304.9	189.0	13.4	81.1	.95	50.8	719.7	79.3	37.2	55.0	2.75	26.7
Nortek Inc N	7.75	.13	1.6	8.25	7.38	17.38	5.00	4,537	2.88	1.79	60.9	12.9	.10	1.3	.....	9 mos.	09-87	382.5	23.3	.2	- 97.1	.01	- 98.5	975.9	45.0	11.4	- 58.8	.71	- 73.3
Owens Corn N	16.75	.13	.8	17.00	16.13	32.38	9.00	9,786	2.61	2.27	15.0	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Ply-Gem A	11.50	.63	5.7	11.50	10.00	18.13	9.00	3,722	3.33	1.34	148.5	10.4	.12	1.0	.....	9 mos.	09-87	84.0	41.9	3.4	112.5	.30	87.5	236.7	40.1	10.5	75.0	.91	26.4
Pope & Talbot N	18.88	1.88	11.0	19.50	16.38	27.25	9.75	4,726	3.93	2.35	67.2	8.1	.50	2.6	NEW	fiscal	12-87	106.8	30.4	7.2	- 14.3	.59	- 15.7	426.9	37.6	28.1	77.8	2.33	76.5
Potlatch Cp N	26.88	1.38	5.4	27.38	25.50	41.88	21.00	4,493	1.68	.78	115.4	8.6	.92	3.4	NEW	fiscal	12-87	252.7	3.9	24.9	23.9	.90	25.0	992.1	1.6	87.6	25.3	3.13	25.7
PPG Inds N	33.25	.88	2.7	35.25	32.00	53.50	27.50	24,074	2.02	.99	104.0	10.4	1.20	3.6	NEW	fiscal	12-87	1327.6	10.6	96.5	32.4	.85	39.3	5182.6	10.6	377.1	19.2	3.19	19.9
Sherwin-Wms N	28.75	3.13	12.2	29.25	25.88	38.50	20.13	6,153	1.38	.75	84.0	11.5	.56	1.9	.....	9 mos.	09-87	512.3	16.9	36.4	4.9	.81	14.1	1384.4	15.1	77.0	.3	1.71	13.2
Stanley Works N	25.75	1.00	4.0	27.63	24.75	36.63	21.25	5,039	1.16	.47	146.8	12.9	.88	3.4	NEW	fiscal	12-87	458.5	79.0	26.2	11.5	.61	13.0	1763.1	28.6	86.6	9.9	2.00	7.5
Thos Inds N	18.38	1.38	8.1	20.00	17.13	21.53	13.81	1,981	1.89	.47	302.1	12.3	.65b	3.5	.....	9 mos.	09-87	82.4	13.3	3.7	76.2	.36	71.4	241.4	9.4	12.3	28.1	1.18	28.3
Triangle Ind N	24.63	.38	1.5	24.75	23.13	44.00	22.50	5,308	2.34	1.38	69.6	11.0	.12	.5	.....	9 mos.	09-87	1238.9	75.5	45.6	82.4	1.59	- 15.4	3340.3	77.3	90.0	88.7	3.09	- 9.9
Union Camp N	33.13	.25	.8	34.00	32.38	40.13	26.00	15,693	2.13	1.14	85.8	11.7	1.16	3.5	NEW	fiscal	12-87	809.8	14.0	59.0	37.9	.81	39.7	2307.8	12.8	237.5	59.7	2.83	39.9
USG Corp N	28.13	1.13	4.2	29.88	26.25	55.88	23.50	15,670	3.04	2.02	50.5	7.1	1.12	4.0	NEW	fiscal	12-87	725.8	4.4	17.2	- 69.6	.33	- 84.5	2888.1	6.4	204.3	- 9.4	3.96	11.9
Wausau Ind M	9.88	1.00	11.3	10.00	9.13	13.25	7.33	2,762	4.38	2.29	91.3	12.3	.10	1.0	NEW	6 mos.	12-87	38.1	41.1	1.5	87.5	.24	84.6	72.9	35.8	2.8	75.0	.45	80.0
Weyerhaeuser N	38.00	.75	2.0	38.75	35.88	60.00	19.00	34,848	2.56	1.24	105.6	11.9	1.50	3.9	NEW	fiscal	12-87	1783.5	22.9	129.4	34.7	.91	30.0	6988.8	23.7	446.6	61.4	3.18	66.5

All Data are based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column

P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share
Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

"Two-week average volume equals the number of shares traded divided by the number of shares outstanding during the latest two-week period. Twelve-week average volume equals the number of shares traded divided by the number of shares outstanding over the previous 12 weeks.

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

Rail strike wreaks havoc on New England lumber dealers

(Continued from page 1)
eral Railroad Administration (FRA) into safety violations have led to the withdrawal of a number of engines for repair, further disrupting service.

Guilford Transportation Industries, Springfield's parent, maintains that the union's allegations of safety violations were only a pretext for the walkout. It contends that the strike is illegal and an attempt by the unions to change workers' contracts.

Democratic legislators in Maine proposed that the state seize control of the railroad through eminent domain and sell or lease it to someone else, possibly another railroad or the rail workers themselves. Gov. John R. McKernan Jr., however, is concerned that this bill could saddle taxpayers with the price of the rail line, estimated to be more than $100 million, if a buyer can't be found and the state itself assumes ownership.

The Springfield Terminal Railroad operates the central Maine and Boston-Maine lines. It is the dominant rail-freight carrier in Maine and handles approximately half the rail freight in Massachusetts in direct competition with ConRail.

Guilford also operates the Delaware-Hudson line linking the Albany, N.Y., area with Buffalo and Canada. Although the Delaware-Hudson is not directly involved in the strike, it has had a severe reduction in services, too.

"Guilford is not a very large railroad, but it is an important system and there just aren't many alternatives," said Tom Santella, eastern transport manager for Weyerhaeuser. "To put that business on other railroads or truck the product overburdens the system."

Independent Curtis Lumber, Ballston Spa, N.Y., relies on the Delaware-Hudson line for 50 percent of its lumber, plywood and sheet good supplies. Curtis now has to ship lumber via ConRail to Guilderland, near Albany, unload it and then truck it to its stores, according to Fred Voeringer, vp at Curtis.

"We won't buy out of Maine or the West Coast as for each $25,000 carload we have to pay an extra $1000 in handling," explained Voeringer, whose company has switched to Canadian suppliers.

Hancock Lumber, Casco, Maine, is now using the Canadian National Railway to bring in lumber, but finds that in the last four months this has backed up with all the increased business, according to Ralph Sama, executive vp.

"I can see major problems when everybody begins to demand their spring materials," said Don Dyer, retail manager at Fox Lumber in Portland, Maine, who is sharing the South Paris, Maine, reload center with other dealers.

Grossman's found a temporary scarcity of plywood at its locations served by the Boston-Maine railroad. But now most suppliers have found alternative routes, according to David Mayberry, manager of investor relations for the Braintree, Mass.-based chain.

Snafus for distributors

Lumber wholesalers are attempting to "eat the extra costs" of alternative transport because the market is so competitive.

Furman Lumber, a Boston commodities distributor, has been unable to service its new Portsmouth, N.H., distribution center by rail since it opened in December. Instead, it is rerouting cars from Binghamton, N.Y., via ConRail to its Attleboro, Mass., DC and then trucking the lumber north into New Hampshire.

"This is no way to run our new $3 million facility," said Scott Green, manager of Furman Lumber's Portsmouth DC, who fears testing the railroad because of the value of the freight involved.

ENAP, the cooperative buying group in New Windsor, N.Y., has found its cars erroneously routed onto the Guilford line from ConRail.

"The whole thing is a mess and a costly operation for New England," said Dick Paris, traffic manager at ENAP.

Weyerhaeuser had an embargo put on its Woburn, Mass., distribution center by Guilford, meaning no rail freight shipments in or out.

The embargo was enacted because Guilford was unable to find qualified crews who could operate the trains that run over the high speed commuter lines, according to Colin Pease, vp-government affairs at Guilford.

Dispute termed 'destructive'

Dealers in New Hampshire and Maine report that service is starting to resume, but inventory is arriving sporadically.

Guilford has hired 600 replacement employees. But it is now having to adhere to strict FRA recommendations for greater rules-training of engineers.

"In an effort to fill vacancies created by the strike and remain in normal operation, management has in a number of cases pressed into service newly hired engineers whose training and experience does not meet the levels we deem acceptable for an operation of this nature," said John H. Riley, administrator at the FRA in a December report to the unions and management.

It appears that the Springfield Terminal's railway problems will not be easily solved as the gap between management and union continues to widen.

The FRA reported 21 instances of sabotage and vandalism in the first month of the strike.

"The conflict is destructive to the unions, the railroad, and ultimately the Northeast," said Marty Feuer, president of East Coast Lumber, East Hampstead, N.H.

John Brill, executive vp of the Northeast Lumbermen's Association concurred: "The fear is that the railroad might be going right out."

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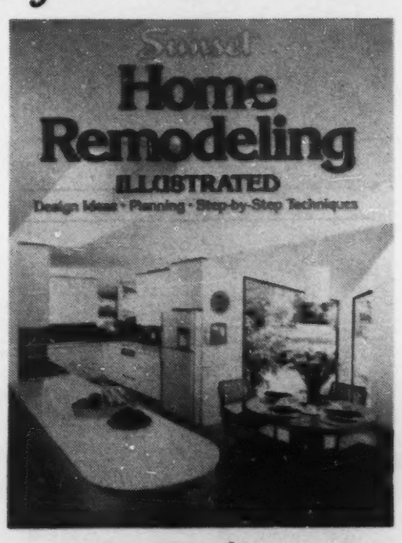

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Manufacturers race to build first plant for new gypsum

By Milford Prewitt

BOSTON — Furman Lumber and Louisiana-Pacific Corp. are racing to be the first to build a mill to produce a new type of gypsum wallboard which company planners insist will radically change the nature and current end uses for drywall.

Harry Merlo, president and chairman of L-P in Portland, Ore., told *NHCN* that his company expects to break ground this month in an undisclosed location to build a plant to make its new gypsum.

Hawk Furman, president of the Boston-based Furman Lumber, a national distributor, said it will break ground this spring in East Providence, R.I., to construct its plant to make the new board.

Furman said the new board is "superior in every way" to conventional gypsum drywall and may one day surpass it in construction.

In one significant way, Furman will beat L-P to the draw. Furman said a new mill in Holland will begin shipping the product to Furman Lumber exclusively as early as April.

Although both executives said the products they will introduce stem from a similar gypsum panel used in Europe, both L-P's and Furman's drywall products are different from the European version and different from each other.

Merlo said L-P's product

(Continued on page 30)

Vice President George Bush swapped a tie tack for an East Coast Lumber cap with Brian Lowe, son of the company's vp Steve Lowe. Photo courtesy East Coast Lumber

Bush stops in for a few mouse traps in N.H.

By an NHCN staff editor

EAST HAMPSTEAD, N.H.— Vice President George Bush paid an impromptu visit to East Coast Lumber while campaigning for the New Hampshire primary last month.

Bush, accompanied by three cars of secret servicemen, dropped in unexpectedly at the main yard of the three-unit independent on Feb. 11. He spent about an hour chatting with employees and touring the 45-acre facility.

He showed his expertise on the company's Calmar fork-

(Continued on page 235)

Thornton named chief executive at Goodbuys

By Elizabeth Brent

PHILADELPHIA — Thomas J. Thornton has been appointed chief executive officer for Mr. Goodbuys, the 13-unit chain here whose control has taken a turn in recent weeks.

Vendex International now has a majority stake in Mr. Goodbuys. The international arm of the Dutch retailing giant Vroom-Dreesmann increased its holdings of the company's stock to over 50 percent on Feb. 2.

The founders of the company, Steven Erlbaum and Daniel Neduscin, now hold a minority interest in the company, according to Albert

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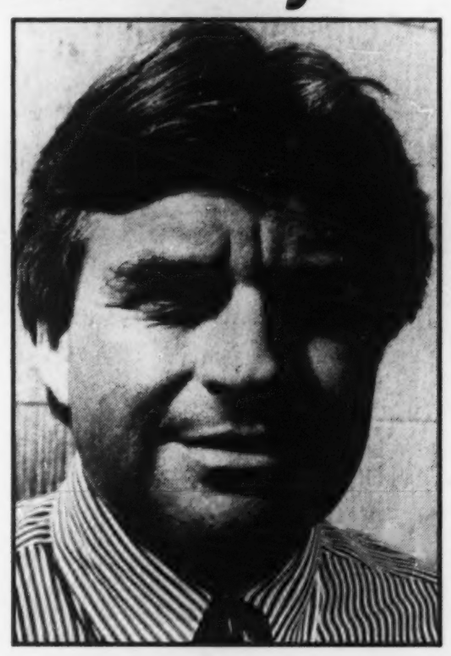

Thomas Thornton, ceo of Mr. Goodbuys. NHCN photo

Businessmen fight to save Ala. wetlands

By Suzanne Floyd

MOBILE, Ala. — It's land they've used for fishing, hunting and other recreation since they were children.

And now local businessmen have banded together and are working with a federal environmentalist to preserve the Mobile-Tensaw delta here from development.

They are making this effort—which has taken the form of their buying up property and converting it into protected areas—even

(Continued on page 235)

Ernst to renovate all units by August; effort designed to boost sales by 30%

By Brad Altman

SEATTLE — A "Grand Opening of the New Ernst" promotion has been kicked off to mark the remodeling and remerchandising of more than 40 Ernst Home & Nursery stores in western Washington.

The Ernst remodeling effort, intended to increase the 70-unit chain's sales volumes by over 30 percent, was set to be introduced to the public on March 3 in an advertising campaign kickoff that features television, radio, billboards, institutional newspaper spots and a wide variety of printed pieces (circulars, sales books, etc.).

Ernst will remodel its remaining stores in eastern Washington, Utah, Montana, Idaho, Nevada and Wyoming by August.

The remodel program is expected to set Ernst apart from other DIY dealers by differentiating it from the warehouse format now making inroads in this highly fragmented market.

Ernst considers itself a specialty retailer and is virtually 100 percent consumer-driven while two of its newest competitors, Builders Square and HomeClub, are discount-oriented and rely on contractors for a double-digit percentage of sales.

Ernst's chief executive officer Hal Smith expects to see

(Continued on page 98)

The bath department is one of the focal areas in Ernst Home & Nursery's new Bear Creek prototype in Redmond, Wash. The chain expects to remodel all 70 of its stores by August. NHCN photo

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NEWSBREAKS

USG GETS ANOTHER TAKEOVER OFFER: The nation's largest gypsum producer received a bid of $42 per share, or $2.16 billion, from Desert Partners, a limited partnership that currently holds about 10 percent of USG's stock. Analysts expected USG to reject the offer.

HANCOCK LUMBER EMPLOYEE KILLED: Greg Whitehouse, 37-year-old yard foreman at the chain's Casco, Maine, store, was crushed by a truck backing into a loading bay on the morning of Feb. 24. He died instantly.

INDUSTRY UPDATE

Houston Lumber opens plant

LAS VEGAS, Nev. — Houston Lumber has completed a $3 million floor and roof truss plant and a commercial and residential door facility here.

Rick Barkemeyer, manager of the truss division of Houston Lumber's new 10-acre truss plant, said the expansion was necessary because Houston Lumber's existing three-acre yard on Bonanza Road was too small.

The truss plant operates two shifts per day and employs 300 persons. Houston Lumber continues to operate a combination home center retail store and contractor yard on Commerce Street.

Houston Lumber is part of the A.C. Houston Lumber Co. of Wichita, Kan., which operates 11 lumberyards in five states—New Mexico, Idaho, Colorado, California and Nevada. Its 1986 sales are estimated at $75 million, of which 80 percent of the volume was generated by contractors.

HomeClub adds Tacoma unit

FULLERTON, Calif. — HomeClub said it would open a 103,689-square-foot unit in Tacoma, Wash., in mid-April, marking its third warehouse to open in the Puget Sound area.

The warehouse, at 1913 S. 72nd St., is near a Builders Square, which has only one unit in Washington. HomeClub also has units in Kent and Lynnwood, both Seattle suburbs. The new outlet raises HomeClub's count to 37 units in six Western states.

Railway fined for safety violation

NATIONAL REPORT — The Federal Railroad Administration (FRA) is levying fines of $734,900 against Guilford Transportation Industries (GTI) for safety violations between 1984 and 1987.

Guilford is the parent company of the Springfield Terminal railroad which operates the Maine central and Boston-Maine railroad and is now coping with a strike by its workers over safety problems (*NHCN*, Feb. 22).

These fines, however, relate to the period before the strike, and concern safety infringements including handling of equipment; condition of freight cars and locomotives; and track defects.

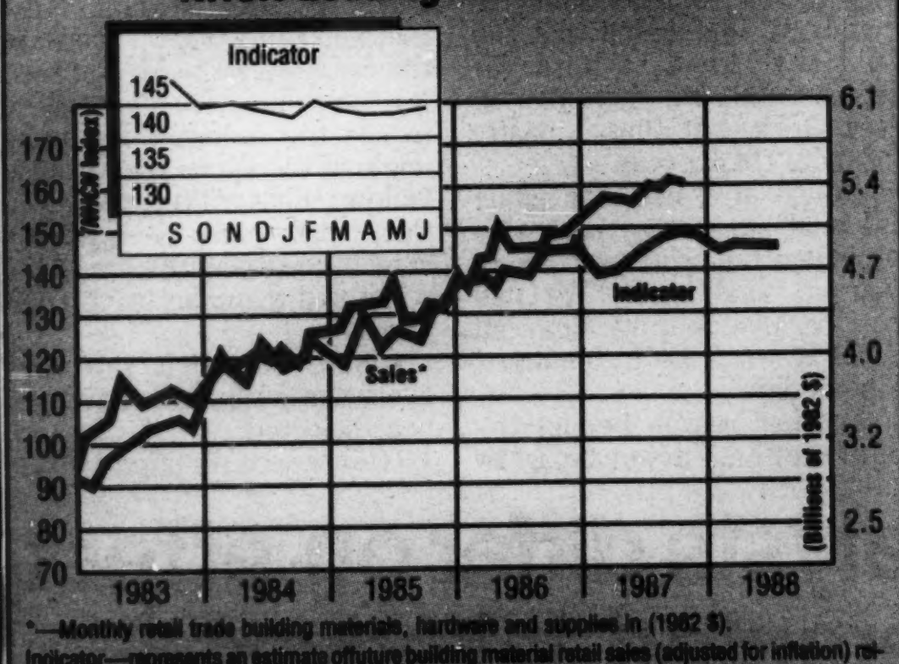
Since Guilford failed to respond to a negotiated settlement the FRA has referred the case to the Department of Justice for suit.

This is the first time that the FRA has sued a railroad for an entire group of cases, as opposed to an occasional case involving an unresolved dispute of fact or law.

The total amount includes $393,900 for previously negotiated claims and a second amount for $341,000 on claims that haven't been subject of settlement negotiations.

"There is no reason to believe, based on Guilford's record to date, that negotiations on this second group of cases would be any more fruitful than those on the first," wrote John H. Riley, administrator at FRA in a letter to David Fink, GTI's president.

NHCN Leading Sales Indicator



*—Monthly retail trade building materials, hardware and supplies in (1982 $).

Indicator—represents an estimate offuture building material retail sales (adjusted for inflation) relative to Jan. 1980, based on current levels of housing starts and resales, personal income, interest rates and related data.

Softness in housing starts points to a decline in building materials sales in the first half of 1988. Resales will remain strong in 1988.

(See Business Watch column on page 187.)

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John Creighton Jr. is appointed president of Weyerhaeuser Co.

By an NHCN staff editor

TACOMA, Wash. — John W. Creighton Jr. is slated to become the next president of Weyerhaeuser Co., the $7 billion forest products company here. Creighton, currently the firm's executive vice president, would replace president and chief executive officer George H. Weyerhaeuser, who will become chairman and ceo.

The management changes were made because the 72-year-old Robert B. Wilson is retiring as chairman and a company director at Weyerhaeuser's annual shareholder's meeting April 21. Wilson had been chairman since 1976.

Creighton, 55, will be responsible for all operating units. He joined Weyerhaeuser in 1970 and has been president of its Real Estate Co. A company press release said Creighton has been responsible for the company's diversified and specialty building products and its financial services businesses.

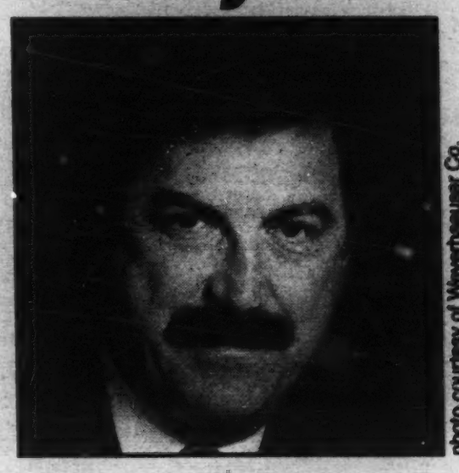

photo courtesy of Weyerhaeuser Co.

John W. Creighton Jr., new president of Weyerhaeuser.

In a related announcement, the company said executive vp Charles W. Bingham, in addition to his operating responsibilities as head of Weyerhaeuser Forest Products Co., will continue to manage certain corporate functions, including lumber and timber transportation.

The 61-year-old George Weyerhaeuser, a great-grandson of the company founder, has been president and ceo of Weyerhaeuser since 1966. He will be the first person in Weyerhaeuser's 88-year history to hold the offices of chairman and ceo simultaneously.

Joseph Rashkow, Handy Andy founder/co-owner, is dead at 82

By an NHCN staff editor

MIAMI — The patriarch of Handy Andy Home Improvement Centers is dead at 82.

Joseph Rashkow, a co-owner of the Schaumburg, Ill.-based chain from which he retired to Miami 16 years ago, died Feb. 11 at Miami's Heart Institute.

"He always had customers on his mind," recalled Donald Beal Sr., president and owner of Arrow Lumber, now a two-unit franchise of Handy Andy still operating on Chicago's south side. "He was always cheerful. Even after he retired, he'd come in and ask how we were treating customers. The old-timers that knew him would always say, 'Hi Joe.' "

"Energy was his middle name," noted Ted Rashkow, a nephew. Rashkow's son and Handy Andy chairman Ron Rashkow was unavailable for comment.

Joe Rashkow and his family emigrated from Russia and settled in Chicago in 1910. According to his nephew, Rashkow spent his days working in his brother's grocery store and playing baseball at night. But after marrying the former Esther Goran in 1937, Rashkow took a new tack that would later become a trademark of the Handy Andy chain.

> Starting out by buying and selling small businesses, Joseph Rashkow purchased Arrow Lumber in 1946, the first of what is now the 50-unit Handy Andy chain.

He started buying small businesses, improving them and then selling them, Ted Rashkow recalled.

After working in fruit and vegetable enterprises around Chicago, and being in and out of the liquor business, Rashkow settled on the lumber business.

In 1946, Rashkow founded Arrow Lumber on the city's south side. The single unit grew into a chain through the acquisition of Danley Lumber Company's retail operation in Gurnee, Ill., and Republic Lumber Co. The chain was renamed Handy Andy (after Rashkow's grandson Andrew) in 1974 to give it wider recognition.

Starting in the 1950s, Rashkow was joined at the yard by his son Ron, who now presides over the 50-unit Handy Andy Home Improvement Centers, now operating in four states.

Rashkow was active in Chicago chapters of B'nai B'rith and Hadassah. He is survived by his wife Esther, son Ron and a daughter Susan Messé.

Michigan General to submit Ch. 11 plan

By an NHCN staff editor

DALLAS — A bankruptcy court judge has cleared the way for Michigan General Corp. to submit its Chapter 11 reorganization plan to creditors and stockholders.

A court hearing on the plan has been set for April 1. That month will mark one year since Michigan and its subsidiary Diamond Lumber filed for protection under Chapter 11 of the Federal Bankruptcy Code.

"We're moving in a positive direction," stated Jerold Grubstein, Diamond's president and chief executive officer.

But Grubstein said the process of emerging from bankruptcy has been bumpy.

"It's like a bag filled with air. You push down on one side and it pops up on the other," he said. "It [the plan] can't be moved forward smoothly. There are too many diverse interests."

The plan was scheduled to be mailed by the end of February. It calls for unsecured creditors with claims of less than $500 to be paid in full immediately.

Other creditors will be paid either with long-term notes or with a mixture of debt and equity. Grubstein said the ratio of the mixture would vary,

(Continued on page 235)

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Study: Conflicting rules deter new products

By an NHCN staff editor

WASHINGTON — Complicated and conflicting regulations may be stopping manufacturers from bringing new products to market and deterring potential buyers of products that don't require approval, a new study finds.

Some 12 percent of 905 manufacturers said they had abandoned product development because of problems with regulatory agencies, in response to a survey by Arthur D. Little for the National Institute of Building Sciences. Conducted in 1985, the study was just released.

And 14 percent said lack of an existing standard would usually be a barrier to development of a new product.

Even if products don't require regulatory approval, builders and building owners said they tend to shy away from products without some kind of regulatory stamp, because of liability concerns.

Of the owners and builders surveyed, 38 percent said they had not used any products that had been on the market for less than a year for the three years prior to the study. Some 28 percent said they had used less than five products.

But at the same time, a large number of owners and other product users, such as builders, also questioned the validity of regulatory approval.

Asked if they considered a product safe if it had been approved, 44 percent of owners and product users said no. Some 62 percent said they wouldn't necessarily consider a product durable; 53 percent said not necessarily reliable; and 51 percent said not necessarily functional.

Manufacturers claim they don't object to standards and the regulatory process.

The problem, they say, is lack of coordination among federal, state and local regulatory agencies and no clear guidelines on how to win approval of new products.

"Seems everybody sits on things too long," one manufacturer said when asked for comments during the survey. "Politics as in most areas of the industry."

Said another: "Interpretations of the regulations are not always the same."

Based on the responses and its research, the Institute proposed a series of changes in the approval process:

- Data provided by testing labs should be easier to use and interpret. The Institute suggested this can be achieved with uniform methods for reporting test results, better description of the testing process and better accreditation of testing labs;
- State and local building codes should be clearer to help builders and building owners determine what products are acceptable. State and local governments should exchange code information;
- Approval requirements should be streamlined, so that the approval process for getting products to meet standards could be expedited.

National Institute of Building Sciences Product Survey

If a product complies with existing standards and regulations, do you consider it:

	YES		NO	
	Owners	Residential Builders	Owners	Residential Builders
Safe	55%	73%	44%	27%
Reliable	45	62	53	37
Functional	48	65	51	34
Durable	36	46	62	52

Source: National Institute of Building Sciences

NHCN chart.

A NIBS survey, conducted in 1985, was just released. Findings show that 44 percent of owners and product users said no when asked if they considered a product safe if it had been approved.

Rigorous tests are basis of APA's approval

(Continued from page 38)

The push by manufacturers to penetrate the lucrative siding market is another area that keeps the APA's testers busy.

The actual test involves the construction of a wall—studs, sheathing, siding and all—that is then soaked under running water for three weeks. If the product buckles under the test, researchers will know that the defect has nothing to do with the installation technique. That's because the wall is built using APA suggested building guidelines, which, when completed, eliminates the possibility of buckling caused by improper construction.

Steve Zylkowski, who conducts the test, noted that for manufacturers who want their products to meet the APA's siding standard and receive its grading stamps, the test is vital.

"Wood expands when wet and if it expands too much, it buckles," Zylkowski explained. "So what our testing here hopes to find out is whether a manufacturer's exterior siding remains smooth and flat.

"After all, siding is an aesthetic product and its smoothness and flatness are essential to its appeal."

While it would be hard for a layman to detect some of the imperfections the test hopes to reveal, computer monitors allow Zylkowski to establish a numerical pass/fail criterion.

Steve Zylkowski, senior scientist doing wet test for buckling, said, "Wood expands when wet and if it expands too much, it buckles. So what our testing here hopes to find out is whether a manufacturer's exterior siding remains smooth and flat." NHCN photo

Assessing its field staff

The APA conducts a battery of tests for manufacturers who want to make industrial products as well, but perhaps the association's most stringent examinations take place outside the laboratory.

These tests are the random and unannounced product samplings APA graders conduct at member mills throughout the country.

Headed by Dale Lawrence, manager of quality service, the effort requires APA field agents to visit three to five mills a week to insure that the panels being produced conform to the APA grading stamps the mills use.

At the site, the APA examiner will review all phases of the production process, including the machinery and labor.

The APA's persistent examinations on the glues that are used to make structural panels consume the greater portion of the service crew's time.

Although the glues are nearly the same for all panel products, the intended end use, and the wood species reaction to them, require the APA to maintain a diligent surveillance at the mill level and in the lab. As a result, each category of structural panels, underlayment, nonveneer, sanded, siding and others are tested for glue bonding.

Lawrence noted that safety is at the root of what the glue bonding tests are all about.

"Mills are making products that basically are designed to last the life of a building," he said. "So when you are talking about panels, our glue bond tests are among the most common and one of the most important we run."

Weather testing

In another location in Eugene, Ore., the APA maintains a testing field where panels are exposed to the elements. Lawrence said some of the products have been there as long as 20 years to test the strength of the glue over the long haul.

But inside the lab, Lawrence can duplicate aging wood, and consequently the strength of the glue, by subjecting small pieces of plywood to a vacuum suction process.

"The whole quality control effort serves to protect the trademark [of the stamp of the APA] so that the user has the confidence that the product is what it says it is and will do what the stamp says it'll do."

What keeps Lawrence's lab crews busy are the weekly samples that are sent to the facility from APA field examiners around the country. Each examiner sends a specific number of panels per weekly mill production. For example, if a given mill produces 30,000 panels a week, the field examiners are required to forward 40 panels to the lab plus one for every 3,000 panels the plant makes after hitting 30,000.

John Rose, APA senior engineer, performing shear wall test. NHCN photo

Perspectives

international report

Japanese still take cue from U.S. DIY industry

By Brad Altman

TOKYO — No one expects to see any Home Depots or Builders Squares in this densely populated country anytime soon.

But the Japanese, following the U.S. lead, are rapidly developing their fledgling home center industry. And major changes are on the horizon, Japanese home center executives and industry observers report. During the last two years, real estate prices throughout Japan have skyrocketed in this crowded, mountainous country about the size of Montana with a population half that of the United States.

The cost of new housing is exorbitant, and this is making some Japanese consumers, traditionally reluctant do-it-yourselfers, more willing to tackle bigger home projects.

The dollar's plummet against the yen and Japan's gains as a global financial and business center are speedily contributing to the westernization of the Japanese culture.

Some observers note the growing Japanese sentiment to "Buy American," not just through patronizing Denny's and Kentucky Fried Chicken outlets that have sprung up, but by purchasing highly esteemed U.S.-made products.

Smaller home centers

Statistics compiled by the Japanese Home Center Association show that home centers here are lagging behind their U.S. counterparts, however. The average home center company in Japan had sales of $2.46 million last year (*see accompanying chart*). Among the top 150 American home center chains in 1986, the average annual sales per unit were nearly $5 million.

Japanese home centers are much smaller than in the United States and merchandise assortments put more emphasis on housewares, the largest single department in most stores.

The concentration on housewares creates a "variety store" look to the Japanese home centers, which put lumber and building materials into a secondary category that receives little floor space in most stores.

Yasuhiro Ishihara, president of Specialty Institute, a Tokyo-based consulting firm, said the Japanese home center industry is less than 15 years old.

Statistics compiled by Keiko Sano of the Inter-Pacific Network show that in 1972, there were only 12 home centers in Japan. By the end of 1987, there were 1,764 stores compared with approximately 21,500 in the U.S.

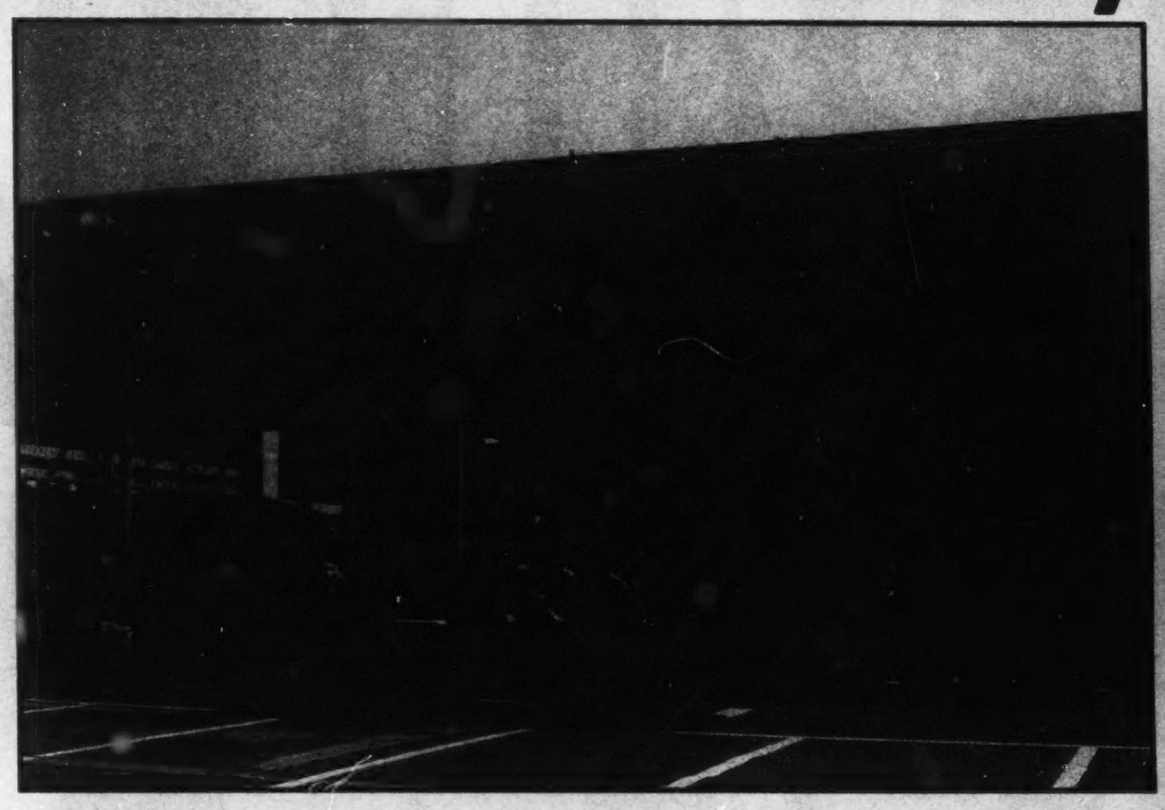
Total sales in Japan were $10.6 billion in 1987 (compared with a $65-billion-plus DIY marketplace in the United States).

Reflecting the mom-and-pop nature of the industry, 52.3 percent of businesses operate only one store. Only three companies in the entire country operate more than 50 stores, which garners less than 1 percent of the total market.

For the Japanese, there is a nationalistic tradition that keeps the country from importing U.S.-made products. Keiyo Home Center's co-chairman, Tadashi Okamoto, said of his 42-unit chain's merchandise mix, "Ninety-five percent of items are made in Japan and the remaining items are made in Taiwan or Korea" (*see accompanying story*).

A major challenge for Japanese DIY retailers is getting consumers—who prefer to hire professional craftsmen for many home projects—to develop a U.S.-style DIY mentality.

"DIY activities are less popular here than in the U.S.," said Okamoto, who added that the "project sell" mentality has not caught on in Japan. "The Japanese tend to use specialists like professional contractors" for kitchen and bath remodels, he said.



This Keiyo store in Japan has a similar look to many U.S. home centers, although most of the products are made in Japan or the Far East. NHCN photo

The top 14 departments in the typical Japan home center reflect the homeowners' preference to hire professionals.

Lumber and building materials rank 11th in sales contribution while paint and sundries ranked 13th. Both departments contribute less than 5 percent of a typical home center's total volume.

The No. 1 sales category in Japan home centers, in contrast, are housekeeping and related "daily necessity" sundry items, which contribute 17.3 percent to total store sales. Second-ranked are automotive/auto accessories, 11 percent, followed by lawn and garden, 10 percent.

Hardware/tools is the fifth largest selling department followed by electronics, storage products, furniture and sporting goods.

"In Japan, consumers are not used to doing it themselves," said the Specialty Institute's Ishihara. "The largest project most Japanese would consider attempting would be to build a storage shed."

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Japan's DIY Industry at a Glance

	1985	1986	1987
Number of companies:	496	480	493
Number of stores:	1,500	1,593	1,764
Annual sales (in millions $):	8,796	9,446	10,665
Average sales per company (in millions $):	17.7	19.7	21.6
Average stores per company:	3.02	3.32	3.58
Average annual sales per store (in M$):	5.8	5.9	6.0

Source: Japan Home Center Association; U.S.$1.00 = Y130.00 NHCN charts

The Top 10 Japanese Home Center Chains

Company Name	Sales (in millions $)	Stores
Viva Home Center Ltd.	409.2	38
Nafuco Co. Ltd.	404.6	51
Keiyo Co. Ltd.	333.1	42
Kahma Co. Ltd.	305.4	28
Tokyu Hands Co. Ltd.	290.7	7
Joyful Honda Co. Ltd.	205.4	5
Shimacyu Co. Ltd.	160.0	15
Hinode Co. Ltd.	143.1	12
Ishiguro Home Co. Ltd.	142.3	14
Encho Co. Ltd.	133.1	6

Source: Japan Home Center Association; U.S.$1.00 = Y130.00 NHCN chart

Tokyu Hands, a seven-unit operation in Japan, tries to be a one-stop location for Japanese shoppers. Billing itself as a "Creative Life Store," Tokyu Hands' flyers advertise a wide variety of items.

On the center spread of this flyer, only the bottom portion advertises items that an American consumer would expect to find in the usual home center. The remainder of the flyer promotes everything from toy airplanes to rain parkas to sewing machines.

In general, housewares is the largest single product category for Japanese home centers, with lumber and hardware playing secondary merchandising roles.